

House Engrossed

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
First Regular Session  
2005

CHAPTER 299

# HOUSE BILL 2771

AN ACT

AMENDING SECTIONS 35-142 AND 41-823, ARIZONA REVISED STATUTES; RELATING TO  
STATE FEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-142, Arizona Revised Statutes, is amended to  
3 read:

4 35-142. Monies kept in funds separate from state general fund;  
5 receipt and withdrawal

6 A. All monies received for and belonging to the state shall be  
7 deposited in the state treasury and credited to the state general fund except  
8 the following, which shall be placed and retained in separate funds:

9 1. The unexpendable principal of monies received from federal land  
10 grants shall be placed in separate funds and the account of each such  
11 separate fund shall bear a title indicating the source and the institution or  
12 purpose to which such fund belongs.

13 2. The interest, rentals and other expendable money received as income  
14 from federal land grants shall be placed in separate accounts, each account  
15 bearing a title indicating the source and the institution or purpose to which  
16 the fund belongs. Such expendable monies shall be expended only as  
17 authorized, regulated and controlled by the general appropriation act or  
18 other act of the legislature.

19 3. All private or quasi-private monies authorized by law to be paid to  
20 or held by the state treasurer shall be placed in separate accounts, each  
21 account bearing a title indicating the source and purpose of such fund.

22 4. All monies legally pledged to retirement of building indebtedness  
23 or bonds issued by those institutions authorized to incur such indebtedness  
24 or to issue such bonds shall be placed in separate accounts.

25 5. Monies of a multi-county water conservation district authorized by  
26 law to be paid to or held by the state treasurer shall be placed in separate  
27 accounts, each account bearing a title indicating the source and purpose of  
28 such fund.

29 6. All monies collected by the Arizona game and fish department shall  
30 be deposited in a special fund known as the state game and fish protection  
31 fund for the use of the Arizona game and fish commission in carrying out the  
32 provisions of title 17.

33 7. All federal monies that are received by the department of economic  
34 security for family assistance benefits and medical eligibility as a result  
35 of efficiencies developed by the department of economic security and that  
36 would otherwise revert to the state general fund pursuant to section 35-190  
37 shall be retained for use by the department of economic security in  
38 accordance with the terms and conditions imposed by the federal funding  
39 source in an account or accounts established or authorized by the state  
40 treasurer.

41 8. Monies designated by law as special state funds shall not be  
42 considered a part of the general fund. Unless otherwise prescribed by law,  
43 the state treasurer shall be the custodian of all such funds.

1           9. All monies received and any accounts established and maintained by  
2 the director of the Arizona state retirement system or the fund manager of  
3 the public safety personnel retirement system, the corrections officer  
4 retirement plan and the elected officials' retirement plan.

5           B. No money shall be received or held by the state treasurer except as  
6 authorized by law, and in every instance the treasurer shall issue a receipt  
7 for money received and shall record the transaction in the statewide  
8 accounting system. No money shall be withdrawn from the treasury except upon  
9 the warrant or electronic funds transfer voucher of the department of  
10 administration.

11           C. All federal monies granted and paid to the state by the federal  
12 government shall be accounted for in the accounts or funds of the state in  
13 the necessary detail to meet federal and state accounting, budgetary and  
14 auditing requirements, and all appropriations for matching such federal  
15 monies shall be transferred from the general fund to such separate funds as  
16 needed, except as otherwise required by the federal government.

17           D. Nothing in this section requires the establishment of separate  
18 accounts or funds for such federal monies unless otherwise required by  
19 federal or state law. The department of administration has the authority to  
20 use the most efficient system of accounts and records, consistent with legal  
21 requirements and standard and necessary fiscal safeguards.

22           E. Nothing in this section precludes the creation by the department of  
23 administration of a clearing account or other acceptable accounting method to  
24 effect prompt payment of claims from an approved budget or appropriation.  
25 The department of administration shall report each account or fund  
26 established or cancelled to the directors of the joint legislative budget  
27 committee and the governor's office of strategic planning and budgeting.

28           F. Nothing in this section or any other section precludes the use of  
29 monies kept in funds separate from the general fund, the interest from which  
30 accrues to the general fund, for payment of claims against the general fund,  
31 provided sufficient monies remain available for payment of claims against  
32 such funds.

33           G. The department of administration may issue warrants for qualified  
34 expenditures of federal program monies before they are deposited in the state  
35 treasury. The receipt of federal monies shall be timed to coincide, as  
36 closely as administratively feasible, with the redemption of warrants by the  
37 state treasurer. The department of administration shall limit expenditures  
38 to the amount that has been made available for the use under the grant award  
39 by the federal government. The state agency initiating the expenditures is  
40 responsible for ensuring that expenditures qualify for coverage under the  
41 guidelines of the federal grant award.

42           H. The department of administration shall establish the policies and  
43 procedures for all state agencies for drawing federal monies. When the  
44 established method results in federal monies being held by this state, the

1 department of administration may use the interest earned on the monies to pay  
2 the federal government for any related interest liability. If an interest  
3 liability is incurred due to a state agency varying from the established  
4 policies and procedures, the department of administration shall charge the  
5 appropriate agency account or fund. Interest payment charges to agencies  
6 shall be reported by the department of administration to the joint  
7 legislative budget committee on or before March 1. Any federal interest  
8 liability owed to this state as a result of the delayed federal disbursements  
9 shall be used to offset this state's interest liability to the federal  
10 government. Any remaining interest earnings shall be deposited in the state  
11 general fund.

12 I. Any state agency or authorized agent of a state agency may accept  
13 credit cards pursuant to an agreement entered into by the state treasurer  
14 pursuant to section 35-315 for the payment of any amount due to that agency  
15 or agent or this state.

16 J. Except for the department of revenue for tax payments, agencies or  
17 authorized agents on behalf of state agencies that accept credit cards shall  
18 deduct any applicable discount fee and processing fee associated with the  
19 transaction amount before depositing the net amount in the appropriate state  
20 fund. No other reduction is permitted against the transaction amount. The  
21 net amount deposited in the appropriate state fund shall be considered as the  
22 full deposit required by law of monies received by the agency or the  
23 authorized agent. Payment of any applicable discount fee and processing fee  
24 shall be accounted for in the annual report submitted to the governor's  
25 office of strategic planning and budgeting in accordance with section  
26 41-1273. The transaction amount of any credit card transaction shall not be  
27 reduced by any discount fee or processing fee in an amount in excess of the  
28 merchant card settlement fees reflected in the state banking contract with  
29 the state treasurer's office.

30 K. Any state agency that contracts with an authorized agent for the  
31 electronic processing of transactions pursuant to title 41, chapter 23 may  
32 include a provision in the contract to allow the authorized agent to impose a  
33 convenience fee. If allowed, the convenience fee shall be charged to the  
34 cardholder in addition to the transaction amount, except for the following:

35 1. Except as provided in subsection R of this section, any permits,  
36 licenses or other authorizations needed to pursue a trade or occupation in  
37 this state.

38 2. Except as provided in subsection R of this section, any permits,  
39 licenses or other authorizations needed to establish, expand or operate a  
40 business in this state.

41 3. Except as provided in subsection R of this section, any permits,  
42 licenses or other authorizations needed to register a vehicle or license a  
43 driver in this state.

1 L. Any EACH state agency or its authorized agent shall:

2 1. Deduct the amount of the convenience fee before depositing the  
3 transaction amount or the transaction amount reduced by the discount fee or  
4 the processing fee, or both, into the appropriate state fund.

5 2. Not deduct any part of the convenience fee from the transaction  
6 amount before depositing the net amount into the appropriate state fund.

7 3. Deduct the amount of the discount fee or the processing fee, or  
8 both, from the transaction amount before depositing the net amount into the  
9 appropriate state fund.

10 M. The net amount deposited in the appropriate state fund pursuant to  
11 subsection K or subsection L of this section shall be considered as the full  
12 deposit of monies that is required by law and that is received by the agency.

13 N. Notwithstanding section 35-142.01, convenience fees received by a  
14 state agency or its authorized agent are limited to, and may be used to  
15 offset, the costs imposed by the authorized agent in processing the  
16 transactions.

17 O. When the percentage of electronic transactions first exceeds at  
18 least thirty per cent of a state agency's total transactions, the state  
19 agency shall perform a cost benefit report, including costs of convenience  
20 fees, the amount of revenue generated and any realized cost savings. The  
21 state agency shall submit the cost benefit report to the joint legislative  
22 budget committee within six months after reaching the thirty per cent  
23 threshold.

24 P. State agencies shall report the number of transactions, THE NUMBER  
25 OF ELECTRONIC TRANSACTIONS, the total dollar amount of transactions  
26 processed, the total dollar amount of any discount fee, THE TOTAL DOLLAR  
27 AMOUNT OF ANY PROCESSING FEE and the total dollar amount of any convenience  
28 fee charged, deducted or paid pursuant to subsections J and K of this section  
29 ~~quarterly~~ ANNUALLY BY OCTOBER 1 to the governor, the government information  
30 technology agency and the joint legislative budget committee.

31 Q. Nothing in this section or any other provision of law authorizes  
32 any state agency, authorized agent of any state agency or budget unit to  
33 establish a bank account for any government monies. All monies received by  
34 or on behalf of this state shall be deposited with and in the custody of the  
35 state treasurer or in an account that is authorized by the state treasurer  
36 pursuant to this section. This subsection does not apply to monies received  
37 and any accounts established and maintained by the director of the Arizona  
38 state retirement system or the fund manager of the public safety personnel  
39 retirement system, the corrections officer retirement plan and the elected  
40 officials' retirement plan.

41 R. If a state agency provides an alternative method of payment, the  
42 convenience fee may be charged to the cardholder in addition to the  
43 transaction amount.

1       Sec. 2. Section 41-823, Arizona Revised Statutes, is amended to read:

2       41-823. Purposes of society; housing of society collection;  
3               financial provisions

4       A. The society shall procure, by gift, exchange or purchase:

5       1. Books, maps, papers and materials pertaining to the history of  
6 Arizona and the west.

7       2. Narratives of historical events of the exploration and early  
8 settlement of Arizona, and of overland travel in the state and the west.

9       3. Data relating to Indian tribes, and portraying the antiquities, the  
10 past and present conditions and progress of the state.

11       4. Historical and scientific reports of the western states, and  
12 materials and facilities for investigation of historical, scientific, social,  
13 educational and literary subjects.

14       B. The collections and materials shall be housed suitably for  
15 protection, preservation and availability, properly catalogued and kept  
16 accessible to the public, ~~without charge~~, during reasonable hours on business  
17 days AND THE SOCIETY MAY CHARGE A FEE FOR THESE SERVICES.

18       C. For the purpose of effectuating the functions prescribed in  
19 subsections A and B OF THIS SECTION, the society may borrow money with which  
20 to erect or procure needed buildings and equipment, but authorization to  
21 borrow money shall not exceed in the aggregate the sum of seventy-five  
22 thousand dollars for the purpose of erecting and procuring needed buildings  
23 and equipment. The society may issue negotiable promissory notes and  
24 necessary renewal notes as evidence of the money so borrowed. The notes  
25 shall be authorized by resolution of the board of directors of the society,  
26 may mature at such times not exceeding three years from the respective dates  
27 thereof, may bear interest at not to exceed five per cent per annum, payable  
28 semiannually, and may be payable at such times and in such partial sums as  
29 the resolution provides.

30       D. Money borrowed under the provisions of this section shall be  
31 deposited, pursuant to sections 35-146 and 35-147, in the Arizona historical  
32 society building fund and disbursed in satisfaction of approved claims  
33 arising under the contract or contracts for construction and equipment of the  
34 building.

35       E. Notes issued pursuant to this section shall be payable only in  
36 accordance with the terms thereof and shall not be obligations, general,  
37 special or otherwise, of the state. The notes shall not constitute a debt,  
38 legal or moral, of the state and shall not be enforceable against the state.

39       Sec. 3. Department of insurance; fee and assessment adjustment  
40               suspension

41       Notwithstanding section 20-167, subsection F, Arizona Revised Statutes,  
42 and section 20-466, subsection J, Arizona Revised Statutes, the director of  
43 insurance shall not revise fees or assessments in fiscal year 2005-2006 and  
44 fiscal year 2006-2007 for the purposes of meeting the requirement to recover

1 at least ninety-five per cent but not more than one hundred ten per cent of  
2 the department of insurance's appropriated budget.

3 Sec. 4. State real estate department; fee adjustment;  
4 suspension

5 Notwithstanding section 32-2103, subsection B, Arizona Revised  
6 Statutes, the state real estate commissioner shall not revise fees in fiscal  
7 year 2005-2006 and fiscal year 2006-2007 for the purposes of meeting the  
8 requirement to recover at least ninety-five per cent but not more than one  
9 hundred ten per cent of the state real estate department's appropriated  
10 budget.

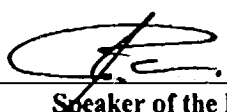
APPROVED BY THE GOVERNOR MAY 20, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 20, 2005.

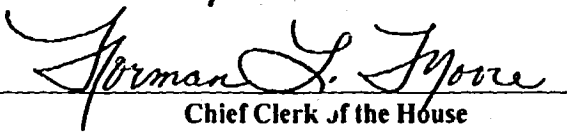
Passed the House May 6, 20 05,

by the following vote: 56 Ayes,

0 Nays, 4 Not Voting



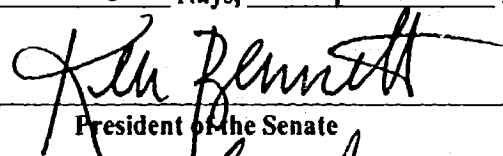
Speaker of the House

  
Chief Clerk of the House

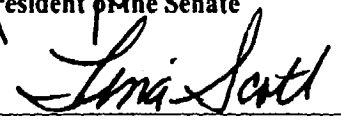
Passed the Senate May 6, 20 05,

by the following vote: 26 Ayes,

0 Nays, 4 Not Voting



President of the Senate

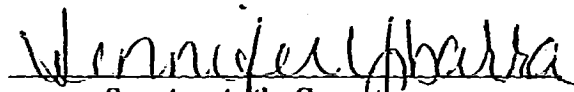
  
~~Assistant~~ Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

13th day of May, 20 05

at 11:20 o'clock a. M.

  
Secretary to the Governor

Approved this 20 day of

May, 20 05,

at 9:20 o'clock A. M.

  
Governor of Arizona

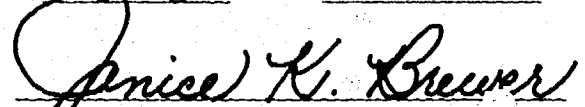
H.B. 2771

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

This 20 day of May, 20 05.

at 3:03 o'clock P. M.

  
Secretary of State